

FINAL BILL REPORT

SB 6332

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Synopsis as Enacted

Brief Description: Increasing the debt limit of the housing finance commission.

Sponsors: Senators Kauffman, Kilmer, Shin, Murray, Sheldon, Marr, Rasmussen, Franklin, Berkey, Haugen, Kohl-Welles, Regala, Keiser, Spanel, McDermott, Rockefeller, Kline, Tom and McAuliffe; by request of Governor Gregoire.

Senate Committee on Consumer Protection & Housing

House Committee on Capital Budget

Background: The Washington State Housing Finance Commission (Commission) was created in 1983 to act as a financial conduit that, without lending the credit of the state, can issue nonrecourse revenue bonds; participate in federal, state, or local housing programs; make additional funds available at affordable rates to help provide housing throughout the state; and encourage the use of Washington forest products in residential construction.

In 1987 the Commission was designated as the state's allocating agency for the Low-Income Housing Tax Credit program. In 1990 the Commission's authority was expanded by the Legislature to finance nursing homes, and capital facilities and equipment owned by nonprofit 501(c)(3) organizations. In 2005 the Legislature gave the Commission the authority to issue bonds for beginning farmers and ranchers.

The Commission is authorized to provide construction and permanent financing for low – and moderate – income housing, nonprofit cultural and social service facilities, capital equipment, and beginning farmers and ranchers within the state.

To date the Commission has financed more than 126,066 affordable housing units and elderly beds across the state and 132 nonprofit facilities. A study by the Washington Center for Real Estate Research in 2005 showed that the Commission has contributed more than \$22 billion to the state's economy and supported more than 17,583 labor years of employment.

The Commission's original debt limit was \$1 billion and recently increased to \$4.5 billion in 2006. The Commission is close to their current debt limit and once that debt limit is reached, it must stop issuing debt to finance affordable housing and nonprofit facilities.

Summary: The Commission's debt limit is increased from \$4.5 billion to \$5 billion.

Votes on Final Passage:

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|--------|----|---|----------------------------|
| Senate | 47 | 0 | |
| House | 93 | 1 | (House amended) |
| Senate | | | (Senate refused to concur) |
| House | 96 | 1 | (House amended) |
| Senate | 47 | 2 | (Senate concurred) |

Effective: June 12, 2008